

## Chapter 5.04

### TAXES, LICENSES AND REGULATIONS

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#### **5.04.010 DEFINITIONS.**

(a) **PERSONS.** As used in this Chapter, "person" includes all domestic and foreign corporations, associations, syndicates, joint stock corporations, partnerships of every kind, clubs, Massachusetts, business, or common law trust, societies, and individuals transacting and carrying on any business in the City, other than as an employee.

(b) **CITY.** As used in this Chapter, "City" means the City of Riverside, a municipal corporation of the State of California, in its present incorporated form or in any later reorganized, consolidated, enlarged or re-incorporated form.

© **BUSINESS.** As used in this Chapter, "business" includes professions, trades, and occupations and all and every kind of calling whether or not carried on for profit.

#### **(d) GROSS RECEIPTS:**

(1) As used in this Chapter, "gross receipts" includes the total of amounts actually received or receivable from sales and the total amounts actually received or receivable for the performance of any act or service, of whatever nature it may be, for which a charge is made or credit allowed, whether or not such act or service is done as a part of or in connection with the sale of materials, goods, wares or merchandise. "Gross receipts" includes all receipts, cash, credits and property of any kind or nature, without any deduction therefrom on account of the cost of the property sold, the cost of materials used, labor or service costs, interest paid or payable, or losses or other expenses whatsoever;

(2) A business established outside the City but maintaining a branch office within the City, or doing business within the City through an agent, broker or employee, shall report as gross receipts, its total sales or receipts attributable to the local branch office, local agent, broker or employee;

(3) Gross receipts for real estate brokers or agents, travel agents, insurance brokers, and bail bond brokers shall mean the total gross commissions. Excluded from "gross receipts" shall be the following:

(I) Cash discounts allowed and taken on sales;

(ii) Credit allowed on property accepted as part of the purchase price and which property may later be sold;

(iii) Any tax required by law to be included in or added to the purchase price and collected from the consumer or purchaser;

(iv) Such part of the sale price or property returned by purchasers upon rescission of the contract of sale as is refunded either in cash or by credit;

(v) Amounts collected for others where the business is acting as an agent or trustee to the extent that such amounts are paid to those for whom collected, provided the agent or trustee has furnished the Collector with the names and addresses of the others and the amounts paid to them;

vi) Receipts of refundable deposits, except that refundable deposits forfeited and taken into income of the business shall not be excluded;

vii) As to a real estate agent or broker, the sales price of real estate sold for the account of others except that portion which represents commission or other income to the agent or broker;

viii) As to a retail gasoline dealer, a portion of his receipts from the sale of motor vehicle fuels equal to the motor vehicle fuel license tax imposed by and previously paid under the provisions of Part 2 of Division 2 of the Revenue and Taxation Code of the State of California;

ix) As to a retail gasoline dealer, the special motor fuel tax imposed by Section 4041 of Title 26 of the United States Code if paid by the dealer or collected by him from the consumer or purchaser.

e) **SALE.** As used in this Chapter, "sale" includes the transfer, in any manner or by any means whatsoever, of title to property for a consideration; the serving, supplying or furnishing for a consideration of any property; and a transaction whereby the possession of property is transferred and the seller retains the title as security for the payment of the price shall likewise be deemed to exclude any transaction which is or which, in effect, results in a sale within the contemplation of law.

f) **SWORN STATEMENT.** As used in this Chapter, "sworn statement" means an affidavit sworn to before a person authorized to take oaths, or a declaration or certification made under penalty of perjury.

g) **COLLECTOR.** As used in this Chapter, "Collector" means the Finance Director or other City officer charged with the administration of this Chapter.

h) **RESIDENTIAL RENTALS.**

(1) Two (2) or more single-family residential rental units and multiple-residential rental units of two (2) or three (3) units shall be taxed as one business at the location of the owner's property rental business.

(2) Four (4) or more residential rental units on the same parcel or adjoining parcels shall be considered a separate place of business and a tax certificate must be obtained for each separate place of business.

(3) This definition shall not include cooperatively owned multiple dwellings wherein all units are individually owned and occupied by the owner of the unit.

(4) Any person claiming to have only one (1) single-family residential rental unit shall declare such on a form provided by the Collector.

(5) All taxable residential rental units shall be taxed on the basis of Classification "A" Gross Receipts.

(I) **BUSINESS RENTALS.**

(1) One (1) or more business rental units on the same parcel or adjoining parcels shall be considered a separate place of business and a tax certificate must be obtained for each separate place of business.

(2) This definition shall not include cooperatively owned multiple business units wherein all units are individually owned and occupied by the owner of the unit.

(3) All taxable business rental units shall be taxed on the basis of Classification "A" Gross Receipts.

(j) **AVERAGE NUMBER OF EMPLOYEES.** In determining the number of employees for the purpose of fixing the amount of business tax due under this definition, the employer shall take the number of employees earning wages during the pay period ending nearest the fifteenth day of each month as shown by Form DE 3 of the State of California, Department of Employment, or other form which may hereafter be adopted for reporting payments due under the Unemployment Insurance Act for each month of the previous fiscal year, adding the same and dividing by twelve. If the employer has been in business less than one year, he may use the average number of employees as shown by said form for the last quarter.

(k) **EMPLOYEE.** "Employee" means any and all owners, or members of the owner's family, partners, or associates of a business who are devoting substantially their full time to the conduct of the business, and shall be included in the computation of the average number of employees.

(l) **CONTRACTOR.**

(1) Every person conducting, carrying on or managing a business who is licensed as a contractor by the State of California and who undertakes to, or offers to undertake to, or purports to have the capacity to undertake to, or submits bids to, or does himself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, railroad, excavation or other structure, project, development or improvement or to do any part thereof, including the erection of scaffolding or other structures or works in conjunction therewith, is a "contractor."

(2) Any "contractor" as defined in subsection (1) conducting or carrying on the business of selling goods, wares or merchandise as a retailer or wholesaler, in addition to his contracting business shall, in addition to the contractor's business tax certificate provided herein, secure a certificate for such retail or wholesale business as required in the Chapter.

(3) "Contractor" as used in this Section includes subcontractor and specialty contractor and whether operating within the City or from outside the City with no fixed place of business in the City.

(m) **CONDUCT OR CARRY ON.** "Conduct or carry on" means and includes the engaging in, carrying on, owning, maintaining, managing or operating any business, trade, art, professional, calling, employment, occupation, or any commercial, industrial or professional pursuit or vocation.

(n) **CERTIFICATE.** "Certificate" means the business tax payment certificate issued to the taxpayer upon the payment of the business tax. It is not a permit to engage in business. It is the document issued upon the payment of the business tax.

(o) **WHOLESALE SALES.** "Wholesale sales" means the sale of goods, wares or merchandise for the purpose of resale and there is no sale to the ultimate consumer.

(p) **MANUFACTURING.** "Manufacturing" means the business of making, developing, assembling or packaging of any machines, devices, articles, things, commodities, goods, wares, merchandise, products, equipment, material or substances for sale or distribution to the public either at wholesale or retail.

(q) **PROFESSIONAL SERVICES.** "Professional services" means any professional service as that term is ordinarily and commonly used and understood, wherein individuals are engaged in the business of offering to the public, professional services for compensation and includes the services rendered by any person engaged in the practice of law, medicine, surgery, dentistry, accounting, engineering, mortuary, hospitals, architecture, chemistry, geology, etc.

(r) **GENERAL SERVICES.** "General services" means and includes any person engaged in the business of offering to the public, services other than professional services, for compensation.

**5.04.020 REVENUE MEASURE.** This Chapter is enacted solely to raise revenue for municipal purposes, and is not intended for regulation.

**5.04.030 EFFECT ON OTHER ORDINANCES.** Persons required to pay a business tax for transacting and carrying on any business under this Chapter shall not be relieved from the payment of any business

tax for the privilege of doing such business required under any other ordinance of the City, and shall remain subject to the regulatory provisions of other ordinances.

**5.04.040 BUSINESS TAX PAYMENT REQUIRED.** There are hereby imposed upon the businesses, trades, professions, callings and occupations specified in this Chapter business taxes in the amounts hereinafter prescribed. It is unlawful for any person to transact and carry on any business, trade, profession, calling or occupation in the City without first having procured a business tax certificate from the City so to do and paying the tax hereinafter prescribed or without complying with any and all applicable provisions of this Chapter.

This Section shall not be construed to require any person to obtain a certificate prior to doing business within the City if such requirement conflicts with applicable statutes of the United States or of the state. Persons not so required to obtain a certificate prior to doing business within the City nevertheless shall be liable for payment of the tax imposed by this Chapter.

**5.04.050 BRANCH ESTABLISHMENTS.** A separate tax certificate must be obtained for each branch establishment or separate place of business. Each certificate shall identify the type of business certified thereby at the location; provided that warehouses or distributing plants used in connection with or incidental to a business licensed under the provisions of this Chapter shall not be deemed to be separate places of business or branch establishments; provided further that no business transactions shall be carried on in such incidental or supplemental warehouses or distributing plants.

**5.04.060 EVIDENCE OF DOING BUSINESS.** When any person by use of signs, circulars, cards, telephone book or newspapers, advertises, holds out or represents that he is in business in the City, or when any person holds an active license or permit issued by a governmental agency indicating that he is in business in the City and such person fails to deny by a sworn statement under penalty of perjury given to the Collector that he is not conducting a business in the City, after being requested to do so by the Collector, then these facts shall be considered prima facie evidence that he is conducting a business in the City.

**5.04.070 CONSTITUTIONAL APPORTIONMENT.** None of the business taxes provided for by this Chapter shall be so applied as to occasion an undue burden upon interstate commerce or be violative of the equal protection and due process clauses of the Constitutions of the United States and the State of California.

In any case where a business tax is believed by a registrant for a certificate to place an undue burden upon interstate commerce or be violative of such constitutional clauses, he may apply to the Collector for an adjustment of the tax. Such application may be made before, at, or within six months after payment of the prescribed business tax. The registrant shall, by sworn statement and supporting testimony, show this method of business and the gross volume or estimated gross volume of business and such other information as the Collector may deem necessary in order to determine the extent, if any, of such undue burden or violation. The Collector shall then conduct an investigation, and, after having first obtained the written approval of the City Attorney, shall fix as the business tax for the registrant, an amount that is reasonable and nondiscriminatory, or if the business tax has already been paid, shall order a refund of the amount over and above the business tax so fixed. In fixing the business tax to be charged, the Collector shall have the power to base the business tax upon a percentage of gross receipts or any other measure which will assure that the business tax assessed shall be uniform with that assessed on businesses of like nature, so long as the amount assessed does not exceed the business tax as prescribed by this Chapter. Should the Collector determine the gross receipts measure of business tax to be the proper basis, he may require the registrant to submit, either at the time of termination of registrant's business in the City, or at the end of each three-month period, a sworn statement of the gross receipts and pay the amount of business tax therefor, provided that no additional business tax during any one calendar year shall be required after the registrant shall have paid an amount equal to the annual business tax as prescribed in this Chapter.

**5.04.080 EXEMPTIONS.** Nothing in this Chapter shall be deemed or construed to apply to any person transacting and carrying on any business exempt by virtue of the Constitution or applicable statutes of the United States or of the State of California from the payment of such taxes as are herein prescribed. Any public utility operating in the City which is required to make payments under a franchise agreement with the City is exempt from the taxes imposed by this Chapter.

Any person claiming an exemption pursuant to this Section shall file a sworn statement with the Collector stating the facts upon which exemption is claimed, and in the absence of such statement substantiating the claim, such person shall be liable for the payment of the taxes imposed by This Chapter.

The Collector shall, upon a proper showing contained in the sworn statement, issue a certificate to such person claiming exemption under this Section without payment to the City of the business tax required by this Chapter.

The Collector, after giving notice and a reasonable opportunity for hearing to a registrant, may revoke any certificate granted pursuant to the provisions of this Section upon information that the registrant is not entitled to the exemption as provided herein.

**5.04.090 TAX-FREE CERTIFICATE PROVISION.** The provisions of this Chapter shall not be deemed or construed to require the payment of a business tax to conduct, manage or carry on any business, occupation or activity from any institution or organization or persons who fall within any of the following classifications:

(a) The business is conducted, managed or carried on wholly for the benefit of charitable purposes and from which profit is not derived, either directly or indirectly, by any individual; nor shall any business tax be required for the conduct of any entertainment, concert, exhibition or lecture on scientific, historical, literary, religious or moral subjects within the City whenever the receipts of any such entertainment, concert, exhibition or lecture are to be appropriated to any church or school or to any religious or benevolent purpose; nor shall any business tax be required for the conduct of any entertainment, dance, concert, exhibition or lecture by any religious, charitable, fraternal, educational, military, state, county or municipal organization or association whenever the receipts of any such entertainment, dance, concert, exhibition or lecture are to be appropriated for the purpose and objects for which such organization or association was formed and from which profit is not derived, either directly or indirectly by any individual; provided, however, that nothing in this Section shall be deemed to exempt any such organization or association from complying with any of the provisions of this Chapter requiring a certificate to conduct, manage or carry on any profession, trade, calling or occupation.

(b) Registrant is a group of residents of the City who are organized solely and exclusively for the benevolent, charitable, religious, scientific, educational, historical, cultural or recreational purposes, and not for profit and all receipts, less allowable expenses, are used exclusively within the City for the purposes mentioned in this paragraph.

© A business license shall not be required for any attorney whose only business done in the City is in the courts operated in



this City, nor for any doctor whose only business done in the City is surgery and/or consultation in a regularly established hospital in the City.

(d) Banks, including national banking associations, federal credit unions, and financial corporations, to the extent that a City may not levy a license tax upon them under the provisions of Article XIII, Section 27 of the State Constitution.

(e) Insurance companies or associations engaged in the sale and servicing of insurance and their direct agents, including bail bond agents and life agents, are exempt from payment of a business tax under the provision of Article XIII, Section 28 of the State Constitution.

All insurance brokers, bail bond brokers, life and disability insurance analysts, and insurance solicitors are not exempt from payment of a business tax as provided in Article XIII, Section 28 of the state Constitution.

(f) Application to certified farmers market vendors. The provisions of this Chapter shall not apply to vendors at certified farmers markets.

(g) Any governmental agency or subdivision and the employees thereof, to the extent they are engaged in the business of such governmental agencies or subdivisions.

(h) Motor vehicle carriers, or household goods carriers operating under the jurisdiction of the Public Utilities Commission of the State of California or any public transportation system in the City whose definite permanent points of origin and/or termination lie outside of the legal limits of the City to the extent that a City may not levy a license tax upon them pursuant to Section 4301 et seq. of the State Public Utilities Code.

(I) Any state alcoholic beverage licensee engaged in the manufacture, sale, purchase, possession, or transportation of alcoholic beverages within the state to the extent that a City may not levy a license tax upon them under provisions of Article XX, Section 22 of the State Constitution.

(j) Any day care facility where not more than six (6) people are cared for on a full- or part-time basis, to the extent that a City may not levy a license tax upon them pursuant to Section 1523 of the State Health and Safety Code.

(k) Any residential care facility where not more than six (6) people are cared for on a full- or part-time basis, to the extent that a City may not levy a license tax upon them pursuant to Section 1566.2 of the State Health and Safety Code.

(l) Application to Certain Vendors. The provisions of this Chapter shall not require payment of a business tax by certain vendors when both of the following conditions exist:

(1) The vendor is operating in conjunction with an event organized, sponsored or operated by a nonprofit, tax-exempt organization;

(2) The annual gross income of the vendor's household from all sources is less than eight thousand dollars (\$8,000.00) on the last preceding Federal or State personal income tax reporting period.

(m) Application to Certain Disabled Persons. The provisions of this Chapter shall not require payment of a business tax by vendors who are disabled when both of the following conditions exist:

(1) The vendor is certified disabled by either a State or Federal agency;

(2) The annual gross income of the vendor's household from all sources is less than eight thousand dollars (\$8,000.00) on the last preceding Federal or State personal income tax reporting period.

(n) Every person who has been honorably discharged from military service of the United States and who is exempted from the payment of business license taxes by statute of the state may distribute circulars and hawk, peddle, and vend any goods, wares or merchandise owned by him, except spirituous, malt, vinous or other intoxicating liquor, without payment of this license tax; subject however to the restrictions, limitations, regulations and conditions hereinafter set forth.

(1) Every applicant must furnish a certificate of physical disability executed by a qualified physician or submit equivalent evidence of disability.

(2) Every applicant must obtain a solicitors permit issued by the City Police Department.

(3) The applicant may not have a fixed business location.

(4) A license, when issued, is subject to the following conditions:

(I) Said license shall not be defaced, mutilated, disfigured or otherwise altered subsequent to its issuance, and failure to comply herewith is grounds for revocation of said license and for refusing its renewal or the issuance of a new license thereafter.

(ii) It is nontransferable and for the exclusive use of the licensee named.

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(iii) Should a license be found in the possession of one other than the licensee named, it shall be surrendered to the Collector and revoked and neither the licensee named nor the holder thereof shall thereafter be entitled to hold a license under the provisions of this Section.

(iv) The licensee named must identify himself by his signature whenever required to do so by any City Police Officer, or any authorized agent of the Collector.

#### **5.04.100 REGISTRATION FOR BUSINESS TAX CERTIFICATE**

Upon a person registering for the first certificate to be issued hereunder or for a newly established business, such person shall furnish to the Collector a sworn statement, upon a form provided by the Collector; setting forth the following information:

(a) The exact nature or kind of business for which a certificate is requested;

(b) The place where such business is to be carried on, and if the same is not to be carried on at any permanent place of business, the places of residences of the owners of same;

(c) In the event that registration is made for the issuance of a certificate to a person doing business under a fictitious name, the registration shall set forth the names and places of residences of those owning said business;

(d) In the event that the registration is made for the issuance of a certificate to a corporation or a partnership, the registration shall set forth the names and places of residences of the officers or partners thereof;

(e) In all cases where the amount of business tax to be paid is measured by gross receipts, the registration shall set forth such information as may be therein required and as may be necessary to determine the amount of the business tax to be paid by the registrant;

(f) Such other information as may be necessary for the enforcement of the provisions of this Chapter or required by state or federal law;

(g) Any further information which the Collector may require to enable him to issue the type of certificate registered for.

If the amount of the business tax to be paid by the registrant is measured by gross receipts, he shall estimate the gross receipts for the period to be covered by the certificate to be issued. Such estimate, if accepted by the Collector as reasonable, shall be used in determining the amount of business tax to be paid by the registrant; provided, however, the amount of the business tax so determined shall be tentative only, and such person shall, within thirty days after the expiration of the period for which such

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certificate was issued, furnish the Collector with a sworn statement, upon a form furnished by the Collector, showing the gross receipts during the period of such certificate, and the business tax for such period shall be finally ascertained and paid in the manner provided by this Chapter for the ascertaining and paying of renewal business taxes for other businesses, after deducting from the payment found to be due, the amount paid at the time such first certificate was issued.

The Collector shall not issue to any such person another certificate for the same or any business, until such person shall have furnished to him the sworn statement and paid the business tax as herein required.

**5.04.110 RENEWAL REGISTRATION.** In all cases, the registrant for the renewal of a certificate shall submit to the Collector for his guidance in ascertaining the amount of the business tax to be paid by the registrant, a sworn statement, upon a form to be provided by the Collector, setting forth such information concerning the registrant's business during the preceding year as may be required by the Collector to enable him to ascertain the amount of the business tax to be paid by said registrant pursuant to the provisions of this Chapter.

**5.04.120 CONTENTS OF BUSINESS TAX CERTIFICATE.** A business tax certificate issued under the provisions of this Chapter shall contain the following information:

- (a) The name of the person to whom the certificate is issued;
- (b) The name and type of business certified;
- © The place where such business is to be transacted and carried on;

- (d) The date of the expiration of such certificate; Whenever the tax imposed under the provisions of this Chapter is measured by the number of vehicles, devices, machines or other pieces of equipment used, or whenever the business tax is measured by the gross receipts from the operation of such items, the Collector may issue only one certificate; provided that he may issue for each tax period for which the business tax has been paid one identification sticker, tag, plate, or symbol for each item included in the measure of the tax or used in a business where the tax is measured by the gross receipts from such items.

**5.04.130 STATEMENT AND RECORDS.** No statements shall be conclusive as to the matters set forth therein, nor shall the filing of the same preclude the City from collecting by appropriate action such sum as is actually due and payable hereunder. Such statement and each of the several items therein contained shall be subject to audit and verification by the Collector, his deputies,

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or authorized employees of the City, who are hereby authorized to examine, audit, and inspect such books and records of any person registering for certification as may be necessary in their judgment to verify or ascertain the amount of business tax due.

All persons subject to the provisions of this Chapter shall keep complete records of business transactions, including sales, receipts, purchases, and other expenditures, and shall retain all such records of examination by the Collector. Such records shall be maintained for a period of at least three years. No person required to keep records under this Section shall refuse to allow authorized representatives of the Collector to examine said records at reasonable times and places.

**5.04.140 INFORMATION CONFIDENTIAL.** It is unlawful for the Collector or any person having an administrative duty under the provisions of this Chapter to make known in any manner the business affairs, operations, or information obtained by an investigation of records and equipment of any person required to obtain a certificate, or pay a business tax, or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth in any statement or registration, or to permit any statement or registration, or copy of either, or any book containing any abstract or particulars thereof to be seen or examined by any person. Provided that nothing in this Section shall be construed to prevent:

(a) The disclosure to, or the examination of records and equipment by another City official, employee, or agent for collection of taxes for the sole purpose of administering or enforcing any provisions of this Chapter, or collecting taxes imposed hereunder;

(b) The disclosure of information to, or the examination of records by, federal or state officials, or the tax officials of another city or county, or city and county, if a reciprocal arrangement exists, or to a grand jury or court of law, upon subpoena;

© The disclosure of information and results of examination of records of particular taxpayers, or relating to particular taxpayers, to a court of law in a proceeding brought to determine the existence or amount of any business tax liability of the particular taxpayers to the City;

(d) The disclosure after the filing of a written request to that effect, to the taxpayer himself, or to his successors, receivers, trustees, executors, administrators, assignees and guarantors, if directly interested, of information as to the items

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included in the measure of any paid tax, any unpaid tax or amount of tax required to be collected, interest and penalties; further provided, however, that the City Attorney approved each such disclosure and the Collector may refuse to make any disclosure referred to in this paragraph when in his opinion the public interest would suffer thereby;

(e) The disclosure of the names and addresses of persons to whom certificates have been issued, and the general type or nature of their business;

(f) The disclosure by way of public meeting or otherwise of such information as may be necessary to the City Council in order to permit it to be fully advised as to the facts when a taxpayer files a claim for refund of business taxes, or submits an offer of compromise with regard to a claim asserted against him by the City for business taxes, or when acting upon any other matter;

(g) The disclosure of general statistics regarding taxes collected or business done in the City.

**5.04.150 FAILURE TO FILE STATEMENT OR CORRECTED STATEMENT.** If any person fails to file any required statement within the time prescribed, or if after demand therefor made by the Collector he fails to file a corrected statement, or if any person subject to the tax imposed by the Chapter fails to register for a certificate, the Collector may determine the amount of business tax due from such person by means of such information as he may be able to obtain.

If the Collector is not satisfied with the information supplied in statements or registrations filed, he may determine the amount of any business tax due by means of any information he may be able to obtain.

If such a determination is made the Collector shall give a notice of the amount so assessed by serving it personally or by depositing it in the United States Post Office at Riverside, California, postage prepaid, addressed to the person so assessed at his last known address. Such person may, within fifteen days after the mailing or serving of such notice, make application in writing to the Collector for a hearing on the amount of the business tax. If such application is made, the Collector shall cause the matter to be set for hearing within fifteen days before the City Council.

The Collector shall give at least ten days' notice to such person of the time and place of hearing in the manner prescribed above for serving notices of assessment. The Council shall consider all evidence produced, and shall make findings thereon, which shall be final. Notice of such findings shall be served upon the applicant in the manner prescribed above for serving notices of assessment.

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**5.04.160 APPEAL.** Any person aggrieved by any decision of the Collector or of any other officer of the City made pursuant to the provisions of this Chapter may appeal therefrom to the Council within fifteen days after notice thereof by filing with the City Clerk a written notice of appeal, briefly stating in such notice the grounds relied upon for appeal. If such appeal is made within the time prescribed, the City Clerk shall cause the matter to be set for hearing before the Council within thirty days from the date of receipt of such notice of appeal, giving the appellant not less than ten days' notice in writing of the time and place of hearing.

The findings and determination of the Council at such hearing shall be final and conclusive, and within three days after such findings and determination are made, the City Clerk shall give notice thereof to the appellant.

In the event no appeal is taken by the permittee, the decision of the Collector shall become final and conclusive on expiration of the time fixed in this Section for appeal.

**5.04.170 EXTENSION OF TIME.** In addition to all other power conferred upon him, the Collector shall have the power, for good cause shown, to extend the time for filing any required sworn statement or registration for a period not exceeding thirty days, and in such case to waive any penalty that would otherwise have accrued, except that eight percent simple interest shall be added to any tax determined to be payable.

**5.04.180 BUSINESS TAX CERTIFICATE NONTRANSFERABLE; CHANGED LOCATION AND OWNERSHIP.** No certificate issued pursuant to this Chapter shall be transferable; provided, that where a required certificate is issued to a person to transact and carry on a business at a particular place, such certificate holder may upon application therefor and paying a fee of two dollars have the certificate amended for the transacting and carrying on of such business under said certificate at some other location to which the business is to be moved. Transfer of the certificate does not permit operation of a business in violation of other Municipal Code Sections. Provided further that transfer, whether by sale or otherwise, to another person under such circumstances that the real or ultimate ownership after the transfer is substantially similar to the ownership existing before the transfer, shall not be prohibited by this Section. For the purpose of this Section stockholders, bondholders, partnerships, or other persons holding an interest in a corporation or other entity herein defined to be a person are regarded as having the real or ultimate ownership of such corporation or other entity. Any additional amendment to the

business tax certificate such as name changes, etc., shall be made upon application therefor accompanied by a payment of two dollars for each such amendment.

**5.04.190 DUPLICATE BUSINESS TAX REGISTRATION NOTICE AND/OR CERTIFICATE.** A duplicate certificate or registration may be issued by the Collector to replace any certificate or registration previously issued hereunder which has been lost or destroyed upon the certificate or registration holder filing statement of such fact, and at the time of filing such statement paying to the Collector a duplicate business tax fee of ten dollars.

**5.04.200 POSTING AND KEEPING BUSINESS TAX CERTIFICATE.**

(a) Any certificate holder transacting and carrying on business at a fixed place of business in the City shall keep the certificate posted in a conspicuous place upon the premises where such business is carried on.

(b) Any certificate holder transacting and carrying on business but not operating at a fixed place of business in the City shall keep the certificate upon his person at all times while transacting and carrying on the business for which it is issued.

© Whenever identifying stickers, tags, plates, or symbols have been issued for each vehicle, device, machine, or other piece of equipment included in the measure of a business tax, the person to whom such stickers, tags, plates, or symbols have been issued shall keep firmly affixed upon each vehicle, device, machine, or piece of equipment the identifying sticker, tag, plate, or symbol which has been issued therefor at such locations as are designated by the Collector. Such sticker, tag, plate, or symbol shall not be removed from any vehicle, device, machine, or piece of equipment kept in use, during the period for which the sticker, tag, plate, or symbol is issued.

(d) No person shall fail to affix as required herein any identifying sticker, tag, plate, or symbol to the vehicle, device, machine, or piece of equipment, for which it has been issued at the location designated by the Collector, and no person shall give away, sell, or transfer such identifying sticker, tag, plate, or symbol to another person, or permit its use by another person.

**5.04.210 BUSINESS TAX--WHEN PAYABLE.** Unless otherwise specifically provided, all annual business taxes shall be due and payable in advance on or before the expiration date of the then current business tax certificate or on or before the first day of business for any new business. Business taxes for periods other than the annual period are payable in advance on or before the first day of business and thereafter on or before the first day of each applicable period.



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**5.04.220 DELINQUENT TAXES--PENALTIES.** For failure to renew and pay a business tax when due, the Collector shall add the following penalties: fifty percent (50 percent) of the business tax two months after the due date: one hundred percent (100 percent) three months after the due date.

For failure to register a new business and pay the business tax when due, the Collector shall add the following penalty: fifty percent (50 percent) thirty (30) days after the due date: one hundred percent (100 percent) sixty (60) days after the due date.

In no event shall the amount of such penalties to be added exceed one hundred percent (100 percent) of the amount of the business tax due. When the due date of the business tax falls on a Saturday, Sunday or state or national holiday, payment of the business tax due may be made without penalty on the first working day following the holiday.

For the purposes of this Chapter, postmarks shall be accepted as the date of payment made provided the transmitting envelope contains a postage cancellation not later than 12:00 a.m. on the due date.

No certificate or sticker, tag, plate, or symbol shall be issued, nor one which has been suspended or revoked shall be reinstated to any person, who at the time of registering therefor, is indebted to the City for any delinquent business taxes.

**5.04.230 APPLICATION FOR REFUND.**

(a) Any business tax, or penalties or interest thereon, or portion thereof, may be refunded, if they were:

- (1) Paid more than once;
- (2) Erroneously or illegally collected;
- (3) Paid in excess of the correct amount due;
- (4) Issued for a business which subsequently does not

operate in the City, due to applicant's inability to obtain additional permits required under any provision of this Code. In such case, the applicant shall be entitled to a refund of the business tax paid less a seventeen dollar (\$17.00) processing charge, without further deduction to cover the administrative cost therefor.

(b) No refund of monies howsoever paid or collected shall be allowed in whole or in part unless an application therefor is filed with the Collector within a period of one (1) year from the expiration of the license period for which a refund is sought, and all such claims for refund must be filed with the Collector on forms furnished by him or her in the manner prescribed by him or her. Such application may be made only by the person who made the payment, his or her guardian, executor, administrator or heir.

Refunds shall not be made to an assignee of the application. Upon the filing of such a claim, and when he or she determines that a refund is warranted, the Collector shall refund the amount warranted, less seventeen dollars (\$17.00), to cover the administrative cost of the refund. Provided, however, that in the case of a refund made pursuant to subsection 2, and where applicable, subsection 4, no deduction shall be made on account of the administrative cost therefor. The failure to file such application within the time prescribed herein shall bar any future right of recovery.

(c) Where the Collector has determined that a refund is due upon a particular business tax certificate, but where the applicant is at the same time determined to be delinquent or otherwise liable for a business tax upon a separate business license; then in that event, the Collector shall apply said refund amount to the balance owing and delinquent for said business. The Collector shall then refund any amount remaining.

(d) No refund shall be made where the business license was issued under a misrepresentation of fact by the applicant and/or such applicant actually engaged in the conduct of the business for which the license was granted prior to the date stated in applicant's original application.

(e) In all cases proof of payment shall be a prerequisite to any refund.

**5.04.240 ADMINISTRATIVE RULES AND REGULATIONS.** The Collector may make rules and regulations not inconsistent with the provisions of this Chapter as may be necessary or desirable to aid in the enforcement of the provisions of this Chapter.

**5.04.250 ENFORCEMENT.** It shall be the duty of the Collector, and he is directed to enforce each and all of the provisions of this Chapter, and the Chief of Police shall render such assistance in the enforcement hereof as may from time to time be required by the Collector of the City Council. The Collector in the exercise of the duties imposed upon him hereunder, and acting through his deputies or duly authorized assistants, shall examine or cause to be examined all places of business in the City to ascertain whether the provisions of this Chapter have been complied with.

The Collector, and each and all of his assistants and any Police Officer shall have the power to seal the coin openings of slots of nonidentified or unlicensed coin-operated machines in a manner which will render inoperative the coin devices on any machine or device not otherwise exempted by the provisions of the Chapter which is found available to the public for operation and

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which does not have stamped or affixed thereon the required identification or for which the proper license tax has not been paid in full; in lieu thereof, he or she may seize and hold any such machine for the payment of such.

The Collector and each and all of his assistants and any Police Officer shall have the power and authority upon obtaining an inspection warrant therefor to enter, free of charge, and at any reasonable time, any place of business required to be certified herein, and demand an exhibition of its certificate. Any person having such certificate theretofore issued, in his possession or under his control, who wilfully fails to exhibit the same on demand, shall be guilty of a misdemeanor and subject to the penalties provided for by the provisions of this Chapter. It shall be the duty of the Collector and each of his assistants to cause a complaint to be filed against any and all persons found to be violating any of said provisions.

The Collector and each and all of his assistants and any Police Officer are authorized to issue a written notice to appear upon persons whom they have a reasonable cause to believe have violated any provisions of this Section.

**5.04.260 BUSINESS TAX A DEBT.** The amount of any business tax and penalty imposed by the provisions of this Chapter shall be deemed a debt to the City. An Action may be commenced in the name of said City in any court of competent jurisdiction, for the amount of any delinquent business tax and penalties.

**5.04.270 REMEDIES CUMULATIVE.** The conviction and punishment of any person for engaging in any business without first obtaining a certificate to conduct such business shall not relieve such person from paying the business tax fee due and unpaid at the time of such conviction, nor shall the payment of any business tax fee prevent a criminal prosecution for the violation of any of the provisions of this Chapter. All remedies prescribed hereunder shall be cumulative and the use of one or more remedies by the City shall not bar the use of any other remedy for the purpose of enforcing the provisions hereof.

**5.04.280 EFFECT OF CHAPTER ON PAST ACTIONS-UNEXPIRED BUSINESS TAX CERTIFICATES OR LICENSES.** References to a license or business license in other Chapters of this Code shall be understood to refer to the business tax certificate in this Chapter and references to License Collector or Tax Administrator shall be understood to refer to the Finance Director or his authorized representative.

Neither the adoption of the ordinance codified herein nor its superseding of any portion of any other ordinance of the City shall in any manner be construed to effect prosecution for violation of

any other ordinance committed prior to adoption of this ordinance, nor be construed as a waiver of any license or any penal provision applicable to any such violation, nor be construed to affect the validity of any bond or cash deposit required by any ordinance to be posted, filed or deposited, and all rights and obligations thereunto appertaining shall continue in full force and effect.

Where a license for revenue purposes has been issued to any person by the City and the tax paid for the business for which the license has been issued under the provisions of any ordinance heretofore enacted and the term of such license has not expired, then the license tax prescribed for said business by this Chapter shall be reduced by the amount of tax prepaid on the unexpired portion of the period for which the license was issued.

**5.04.300 BUSINESS TAX RATES.** Every person who engages in business within the City shall pay a business tax as set forth in this Section.

Where the period of time for which the business tax applies is not specified, the letter "A" following the tax shall indicate an annual rate; the letter "D" shall indicate a daily rate.

The maximum annual tax payable for businesses taxed at the rates established in Section 5.04.300 I. (b) and (c) below shall be \$4,000 as of July 1, 1989, and shall be automatically adjusted November 1 of each year thereafter, upward or downward, equivalent to the most recent change in the annual average of the Consumer Price Index as published by the United States Department of Labor for the Los Angeles-Anaheim-Riverside metropolitan area or five percent, whichever is less.

For purposes of calculating the annual inflator/deflator under this Section, the formula detailed in Section 5.04.300 shall be used.

**I. TAX RATED BASED UPON GROSS RECEIPTS.** Every person who engages in business in the City shall pay a business tax based upon gross receipts unless specifically assigned a different tax rate in a subsequent schedule.

(a) **CLASSIFICATION "A" RETAIL SALES, GENERAL SERVICES AND OTHER BUSINESSES.** All businesses consisting of selling at retail, manufacturing and selling at retail, services, rental of residential and non-residential real estate, hotels, motels, bowling alleys, skating rinks, food establishments, convalescent hospitals, child care centers, day nurseries, babysitters and pawnbrokers.

**Minimum tax \$86.50 for the first \$25,000. of gross receipts and in addition thereto, the sum of \$0.58 per year for each additional \$1,000. of gross receipts or fractional part thereof in**

excess of \$25,000. but less than \$500,000. and in addition thereof, the sum of \$0.11 per year for each additional \$1,000. of gross receipts or fractional part thereof in excess of \$500,000.

(b) **CLASSIFICATION "B" WHOLESALE SALES, MANUFACTURING, NEWSPAPERS, NEWS AGENCIES, AND TELEPHONE COMPANIES.** All businesses consisting of selling at wholesale, manufacturing, packing, processing, managing or carrying on a business consisting mainly of newspapers, news agencies and similar publishing businesses, and telephone companies.

Minimum tax \$86.50 for the first \$50,000. of gross receipts and in addition thereof, the sum of \$0.26 per year for each additional \$1000. of gross receipts or fractional part thereof in excess of \$50,000. but less than \$1,000,000. and in addition thereto, the sum of \$0.06 per year for each additional \$1,000. of gross receipts or fractional part thereof in excess of \$1,000,000.

(c) **CLASSIFICATION "C" MOTOR VEHICLE DEALERS--NEW AND USED.** Any person conducting, managing, or carrying on the business of selling automobiles, and heavy equipment only, whether at retail or wholesale, will be classified in this category and shall pay an annual business tax of:

Minimum tax of \$86.50 for the first \$50,000. of gross receipts and in addition thereof, the sum of \$0.45 per year for each additional \$1,000. of gross receipts or fractional part thereof in excess of \$50,000. but less than \$750,000. and in addition thereto, the sum of \$0.09 per year for each additional \$1,000. of gross receipts or fractional part thereof in excess of \$750,000.

Business conducted in conjunction with automobile dealers, such as body repairing, painting, servicing and parts supplies, shall be subject to additional business taxes applicable to such types of business.

(d) **CLASSIFICATION "D" VENDING MACHINES-MERCHANDISE.** Any person conducting, managing or carrying on the business of leasing any merchandising machines, where merchandise is received by inserting coins or tokens, will be classified in this category and shall pay a annual business tax of:

Base fee.....\$53.50 "A"

Plus \$0.69 per \$1,000. gross receipts

The provisions of this subsection are not applicable to any vending machines maintained and owned by the proprietor of an established place of business if the following conditions exist:

(1) The machines are owned, serviced and maintained by the proprietor of an established place of business who is

the holder of a business license which is issued for the place of business where the machine is maintained and operated;

(2) The machine vends only tangible personal property which is owned by the proprietor.

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## **II. TAX RATES BASED UPON NUMBER OF EMPLOYEES OR OTHER UNITS.**

Every person conducting business hereinafter listed shall pay a business tax as follows:

(a) **GENERAL SERVICES.** All persons engaged in business of a service nature, and not specifically enumerated elsewhere in this Chapter, shall pay an annual business tax of:

Base fee.....\$ 99.50"A"  
Plus per owner, partner, corporate officer or  
employee.....(Each).....\$ 6.00"A"

(b) **PROFESSIONAL SERVICES.**

Base fee.....\$153.00"A"  
Plus per professional employee.....\$153.50"A"  
Plus per non-professional employee.....\$ 6.00"A"

(c) **CONTRACTORS.**

(1) Engineering or General Contractor.....\$213.25"A"  
Plus per employee.....\$ 6.00"A"  
(2) Specialty Contractor.....\$146.75"A"  
Plus per employee.....\$ 6.00"A"

(3) It shall be the responsibility of every general building, engineering, prime contractor and owner-builder to require subcontractors under his control or direction to pay a business tax as herein provided before permitting said subcontractor to begin or perform services for said general building, engineering, prime contractor or owner-builder.

(4) Each general building, engineering, prime contractor or owner-builder shall furnish the Collector with a list of each subcontractor upon forms furnished by the Collector.

(d) **RECREATION AND ENTERTAINMENT SERVICES.**

(1) **Amusement Center--Permanent Fixed Location.** Includes any location where mechanical devices or animals are maintained for furnishing rides or entertainment.  
First ten devices, rides, etc.....\$80.00"A"  
Per additional device, ride, etc.....\$17.00"A"

(2) **Amusement Rides, Devices, Etc.--Temporary.** Includes all rides, devices, etc., not otherwise defined in Section 5.04.300(II)(d)(3).  
First 10 rides, etc.....\$40.25"D"

Per ride in excess of ten.....\$ 6.00"D"

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(3) Carnival, Circuses, Tent Shows and Open Air Shows.  
First day.....\$332.75"D"  
Each additional day.....\$166.00"D"

(4) Dance hall, Public - Annual.....\$133.00"A"

(5) Dance, Public - Daily.....\$27.00"D"

(6) Billiards or Pool.  
First table at each location.....\$73.00"A"  
Each additional table.....\$10.00"A"

(7) Boxing, Wrestling and other Professional Athletic  
Exhibitions - Daily.....\$166.00"D"

(8) Theatrical Performance.  
First Day.....\$332.25"D"  
Each additional day.....\$166.00"D"

(9) Special Show, No Merchandise for Sale.  
Each show - Annual.....\$119.75"A"  
Each show - Daily.....\$39.50"D"

(10) Special Show, With Merchandise for Sale.  
Each show - Annual.....\$239.50"A"  
Each show - Daily.....\$79.50"D"

(11) **Theaters and Shows.** For every person engaged in the business of conducting a theater or show in an established place of business within a permanent building, including musical, vocal, theatrical or operatic concerts or performances, or at an established place of business constructed for theatrical purposes of the type commonly referred to and called "drive-in theater," the business tax shall be as follows:

First 100 seats.....\$199.25"A"  
Each additional 100 seats or  
fraction thereof.....\$24.00"A"

For the purpose of determining the seating capacities of "drive-in theaters," each car space shall equal two seats.

(12) For each limited-time performance, activity, event or exhibit held in City-owned and City-operated facilities, a

daily fee of thirty two dollars and seventy five cents (\$32.75). Said tax is imposed upon each sponsor of such events and not upon each participant or exhibitor.

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Business conducted in conjunction with Amusement businesses, such as eating and drinking establishments, shall be subject to additional business taxes applicable to such type of business.

**(e) MISCELLANEOUS BUSINESSES.**

**(1) Advertising, Outdoor.**

Each billboard.....\$112.75"A"

**(2) Ambulance Service.**

Each vehicle.....\$40.00"A"

**(3) Automobile Parking.**

Minimum 10 spaces.....\$40.25"A"

Each additional space in excess of 10.....\$ 3.00"A"

(4) Bankrupt, Assigned or Damaged Goods. For every person selling or offering for sale any bankrupt, assigned or damaged goods, wares of any kind or nature. This Section shall not apply to any person having a regular fixed place of business in this City, whose stock has been damaged by fire, water, wreck, or other calamity occurring in the City.

**(5) Laundries and Dry Cleaners, Automatic Self-Service.**

Minimum tax.....\$99.50"A"

Plus per each machine.....\$ 4.00"A"

**(6) Shoeshine Stand.**

Per operator.....\$40.25"A"

**(7) Christmas Tree Sales.**

Each location, per season.....\$53.50"A"

(8) Vending Machines--Game, Phonograph, Weighing, and All Other Coin-Operated Machines Not Vending Merchandise, Unless Otherwise Enumerated.

Each machine.....\$40.00"A"

(9) Outdoor, Markets, Shopping Mall Vendors and Flea Markets - Daily.

Each location---operator.....\$498.50"A"

Each vendor.....\$ 3.00"D"

The operator of each Outdoor Market, Shopping Mall--Daily Vendor and Flea Market shall be responsible for the collection and payment to the City of the business tax for each vendor



herein provided.

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(10) Peddlers and Salesmen--Itinerant. For the business of peddling any goods, wares, merchandise or other things of value, not otherwise specifically certified by this Section, for each peddler, salesman, or employee.....\$40.00"D"

"Peddling" means and includes traveling or going from place to place or from house to house within the City and peddling, hawking, vending or selling any goods, wares or merchandise carried or caused to be carried or conveyed by or with the person peddling, hawking, vending or selling the same.

No certificate shall be required of any person peddling any such goods or wares made or produced solely by the person peddling the same.

The provisions of this subsection shall not apply to commercial travelers or agents selling goods, wares or merchandise to dealers at wholesale, to persons who use the purchased goods, wares or merchandise in the making of a product to be manufactured in the City, or to persons exempt under the interstate commerce laws.

(11) Taxicabs.

Per vehicle.....\$87.00"A"

(12) Auctions.

Annually.....\$1,031.25"A"

Daily.....\$99.50"D"

(13) Delivery by Vehicle.

Per vehicle.....\$66.50"A"

(14) Swap Meets (as defined in Section 5.48.010 of the Riverside Municipal Code.)

Each location - - Operator.....\$498.50"A"

Each vendor - - Daily (except Sunday).....\$ 1.00"D"

Each vendor - - Daily (Sunday only).....\$ 2.00"D"

The operator of each Swap Meet shall be responsible for the collection and payment to the City of the business tax for each vendor herein provided.

#### 5.04.305 BUSINESS TAX RATE REDUCTIONS--AGUA MANSA ENTERPRISE ZONE.

(a) Notwithstanding anything to the contrary in this Chapter, the business taxes to be paid by those new industrial or commercial

developments commencing business on or after September 4, 1986,

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located within that portion of the Agua Mansa Enterprise Zone lying within the corporate limits of the City of Riverside, excluding retail firms, and by those existing industrial or commercial developments located within that portion of the Agua Mansa Enterprise Zone lying within the corporate limits of the City of Riverside, excluding retail firms, which have expanded after September 4, 1986, and which expansion results in an increase of 10 percent in the number of permanent jobs for that business at that location subject to a minimum increase of five additional jobs, shall be reduced for a three-year period in accordance with the following schedule: By 75 percent in the first year following the opening of a new business or the expansion of an existing business; by 50 percent in the second year; and by 25 percent in the third year. No reductions shall be granted in the fourth or any following year.

(b) To permit the reduction as above provided, the person registering for the certificate must submit a verified statement in writing to the Department of Finance at City Hall upon a form provided by the Tax Collector claiming the reduction and with such supporting documentation as may be required by the Tax Collector to establish the applicability of the provisions of this Section.

(c) "First year" as used in this Section shall mean for a new industrial or commercial development the twelve-month period immediately following the date of commencement of business at the location for which the reduction in taxes is claimed; and for the expansion of an existing business, the next tax year immediately following the date the required number of additional employees report to work at the location for which a claim is filed.

(d) "Retail firms" as used in this Section shall mean those firms or businesses which derive 50 percent or more of its gross receipts from direct and final sales of goods or services to the public.

(e) The boundaries of that portion of the Agua Mansa Enterprise Zone lying within the corporate limits of the City of Riverside are described as follows: Beginning at the City limit at the intersection of Market Street and the Santa Ana River, southerly along Market Street to the centerline of Highway 60; thence southwesterly along the centerline of Highway 60 to Spruce Street; thence easterly along Spruce Street to the Southern Pacific Railroad Track; thence northerly along the Southern Pacific Railroad Track, to the Riverside City limit; thence westerly following the Riverside City limits to Market Street.

**5.04.310 OUTSIDE BUSINESSES.** Every person not having a fixed place of business within the City and who engages in business within the City shall pay a business tax at the same rate prescribed in this Chapter for persons engaged in the same type of business and having a fixed place of business within the City.

**5.04.320 SEVERABILITY.** If any section, subsection, sentence, clause, phrase or portion of this Chapter is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Chapter. The City Council of this City hereby declares that it would have adopted this ordinance and each section, subsection, sentence, clause, phrase or portion thereof, irrespective of the fact that any one or more sections, subsections, clauses, phrases or portions be declared invalid or unconstitutional.

**5.04.330 ADJUSTMENT FOR INFLATION/DEFLATION.** Each tax, including each of its components, together with any other charges which are imposed pursuant to this Chapter, shall be automatically adjusted on July 1, 1991, and on November 1 of each year thereafter, upward or downward, equivalent to the most recent change in the annual average of the Consumer Price Index as published by the United States Department of Labor for the Los Angeles-Anaheim-Riverside metropolitan area or five percent, whichever is less.

For purposes of calculating the annual inflator/deflator factor under this Section, the base year shall be that year ending with the quarter ending March 31, 1991. Rates shall first be adjusted on July 1, 1991, and thereafter, based on the annually calculated change from the base year. Said change shall be rounded off to the nearest whole percent per hundred as follows: If the remaining fraction of a per cent is forty-nine one-hundredths of a percent or less such fraction shall be omitted. If the remaining fraction of a percent is fifty one-hundredths of a percent or more, the next highest percent shall be applied. The base tax of calculated tax rates shall be rounded off to the nearest twenty-five cents, while each additional multiple of gross receipts tax rates shall be rounded to the nearest one cent, and all additional tax rate multiples shall be rounded to the nearest dollar. A similar method of computation shall be used in the application of the annual inflator/deflator factor to the amount of each flat fee, deposit or other charge required pursuant to this Chapter, which amount shall be rounded off to the nearest dollar.

